

APPRAISAL OF REAL PROPERTY



LOCATED AT

974 Lawrence Dr
Columbus, OH 43207
980 LAWRENCE DR 22-5-27-40.206 AC LOT10URP64X139X64\$8F

FOR

David A. Bhaerman
10400 Blacklick Eastern Rd, Suite 110
Pickerington, OH 43147
BK#17-54786

OPINION OF VALUE

26,000

AS OF

09/08/2017

BY

Benjamin C. Todd
Columbus Appraisal Company, LLC
520 S State St, Suite 186
Westerville, OH 43081
614-553-7625
info@appraisecolumbus.com
CAC-legalappraisals.com

Borrower	Client: David A. Bhaerman			File No.	17525
Property Address	974 Lawrence Dr				
City	Columbus	County	Franklin	State	OH Zip Code 43207
Lender/Client	David A. Bhaerman				

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Aerial Map

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COMPLETE COPY:

A complete copy of this appraisal report includes eighteen (18) pages. (Excluding the invoice)

INTENDED USE:

Pursuant to the client's request, the 'intended use' of this appraisal report is to determine the fair market value as of the effective date of the appraisal for the US Bankruptcy Court, *Case #17-54786, in the Southern District of Ohio.

*Use in any other case is strictly prohibited.

INTENDED USER:

The 'intended user' is the specified client and the US Bankruptcy Court. Use by any other party is strictly prohibited. Any party receiving a copy of this Appraisal Report in order to satisfy disclosure requirements does not become an intended user of the appraisal unless the appraiser identifies such party as an intended user as part of the assignment. No other intended users have been identified.

NOTE: This appraisal report is not intended for lending purposes.

DISCLOSURE OF PRIOR SERVICES:

I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of the assignment.

APPRAISAL ASSISTANCE:

Appraisal assistance was provided by Kerry D. McGee, Registered Real Estate Appraiser Assistant, #OH2013002075. Assistance included data entry, market analysis, and verification of market data.

HIGHEST AND BEST USE:

The subjects neighborhood has been analyzed for the 'highest and best' use. It is the appraiser's opinion that the subjects current use is the 'highest and best' use as of the effective date of the appraisal.

SUBJECT PROPERTY INSPECTION:

At the client's request, the subject was inspected from the exterior only as a 'drive by' inspection.

EXTRAORDINARY ASSUMPTION:**STANDARDS RULE 2-1 (c)**

1) The 'extraordinary assumption' has been made that the interior of the subject is in similar condition to the exterior, as the subject was inspected from the exterior only.

2) I assume that the properties title is good and marketable, and will render no opinions about the quality of the title.

3) I assume that there are no hidden or unapparent conditions of the soil or subsoil that would render it more or less valuable.

NOTE: Use of the 'extraordinary assumption' might have affected the assignment results.

REAL PROPERTY INTEREST APPRAISED:

Fee Simple

DEFINITION OF 'MARKET VALUE':

Market Value means the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus.

Source: Fannie Mae

OPINION OF 'MARKET VALUE':

Opinion of Value is in terms of cash or of financing terms equivalent to cash.

OPINION OF 'MARKET VALUE' is 'SUBJECT TO' the 'EXTRAORDINARY ASSUMPTION':

THE ESTIMATED VALUE NOTED WITHIN THIS REPORT IS 'SUBJECT TO' the 'EXTRAORDINARY ASSUMPTION' that the interior of the property is in similar condition to the exterior, as the subject was inspected from the exterior only.

COURT TESTIMONY/APPEARANCE:

The appraiser will not give testimony or appear in court because he performed an appraisal of the subject property without compensation for such testimony. Compensation for testimony is two hundred and fifty dollars (\$250) for travel to and from the court, (US Bankruptcy Court, Columbus, OH) including the first hour in court, and one hundred and fifty dollars (\$150) for each additional hour.

REAL ESTATE VALUE ESTIMATE

SUBJECT	Contact <u>Client: David A. Bhaerman</u>					Census Tract <u>0087.20</u>	Map Reference <u>18140</u>
	Property Address <u>974 Lawrence Dr</u>					Check one: <input checked="" type="checkbox"/> SF <input type="checkbox"/> PUD <input type="checkbox"/> CONDO <input type="checkbox"/> 2-4 Units	
	City <u>Columbus</u>		County <u>Franklin</u>		State <u>OH</u>	Zip Code <u>43207</u>	
	Phone No. Res. <u>NA</u>	Loan Amount \$ <u>NA</u>	Term <u>NA</u>	Mos. Owner's Est. of Value \$ <u>NA</u>			
	No. of Rooms <u>5</u>	No. of Bedrooms <u>2</u>	No. of Baths <u>1.0</u>	Family room or den <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Gross Living Area <u>960</u> Sq. Ft.	Garage/Carport (specify type & no.) <u>1 car detached</u>	
					Porch, Patio or Pool (specify) <u>screen porch</u>	Central Air <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	

FIELD REPORT	NEIGHBORHOOD																																																																																																							
	Location	<input type="checkbox"/> Urban	<input checked="" type="checkbox"/> Suburban	<input type="checkbox"/> Rural																																																																																																				
	Built Up	<input checked="" type="checkbox"/> Over 75%	<input type="checkbox"/> 25% to 75%	<input type="checkbox"/> Under 25%																																																																																																				
	Growth Rate <input type="checkbox"/> Fully Dev.	<input type="checkbox"/> Rapid	<input checked="" type="checkbox"/> Steady	<input type="checkbox"/> Slow																																																																																																				
	Property Values	<input type="checkbox"/> Increasing	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Declining																																																																																																				
	Demand/Supply	<input type="checkbox"/> Shortage	<input checked="" type="checkbox"/> In Balance	<input type="checkbox"/> Oversupply																																																																																																				
	Marketing Time	<input checked="" type="checkbox"/> Under 3 Mos.	<input type="checkbox"/> 4-6 Mos.	<input type="checkbox"/> Over 6 Mos.																																																																																																				
	Present Land Use	<u>60%</u> 1 Family	<u>7%</u> 2-4 Family	<u>3%</u> Apts.	<u>0%</u> Condo	<u>25%</u> Commercial	<u>0%</u> Industrial	<u>0%</u> Vacant	<u>5%</u> Schools																																																																																															
	Change in Present Land Use	<input checked="" type="checkbox"/> Not Likely	<input type="checkbox"/> Likely	Taking Place From _____ To _____																																																																																																				
	Predominant Occupancy	<input checked="" type="checkbox"/> Owner	<input type="checkbox"/> Tenant	% Vacant _____																																																																																																				
S/F Price Range \$ <u>4,000</u> to \$ <u>106,000</u>		\$ <u>55,000</u>		= Predominant Value																																																																																																				
S/Family Age <u>49</u> yrs. to <u>97</u> yrs.		Predominant Age <u>63</u> yrs.																																																																																																						
Comments including those factors affecting marketability (e.g. public parks, schools, view, noise)																																																																																																								
The subject property is located in Columbus, Ohio and is served by the Columbus City School District. The area consists mainly of single-family residential properties with a mix of multi-family and commercial development. The market shows signs of stabilizing, but REO/HUD, and Short Sale properties continue to be factor in this marketplace.																																																																																																								
MARKET COMPARABLE ANALYSIS	SUBJECT PROPERTY																																																																																																							
	Approx. Yr. Bilt. <u>1937</u> # Units <u>1</u> # Stories <u>2</u>																																																																																																							
	Type (det, duplex, semi/det. etc.) <u>single family detached</u>																																																																																																							
	Design (rambler, split, etc.) <u>traditional</u>																																																																																																							
	Exterior Wall Mat. <u>frame: aluminum</u>		Roof Mat. <u>asphalt shingle</u>																																																																																																					
	Is the property in a HUD-identified Special Flood Haz. Area? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes																																																																																																							
	Special Energy-Effic. Items <u>None.</u>																																																																																																							
	Comments (favorable or unfavorable incl. deferred maintenance)																																																																																																							
	The subject property appears to be in fair average overall condition with no notable updating. The exterior shows signs of deferred maintenance including vegetation growing in the gutters, defective paint on the exterior, older aluminum siding and a roof that appears to be nearing the end of its functional life.																																																																																																							
<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <th>ITEM</th> <th>SUBJECT</th> <th>COMPARABLE NO. 1</th> <th>COMPARABLE NO. 2</th> <th>COMPARABLE NO. 3</th> </tr> <tr> <td>Address</td> <td>974 Lawrence Dr Columbus, OH 43207</td> <td>1733 Linwood Ave Columbus, OH 43207</td> <td>1867 Kelton Ave Columbus, OH 43207</td> <td>1806 Weiler Ave Columbus, OH 43207</td> </tr> <tr> <td>Proximity to Sub.</td> <td></td> <td>0.26 miles NE</td> <td>0.48 miles E</td> <td>0.49 miles NE</td> </tr> <tr> <td>Sales Price</td> <td>\$</td> <td>\$ 24,000</td> <td>\$ 21,000</td> <td>\$ 45,000</td> </tr> <tr> <td>Date of Sale and Time Adjustment</td> <td>DESCRIPTION</td> <td>DESCRIPTION +(-) \$ Adjust.</td> <td>DESCRIPTION +(-) \$ Adjust.</td> <td>DESCRIPTION +(-) \$ Adjust.</td> </tr> <tr> <td>Location</td> <td>Columbus SD</td> <td>Columbus SD</td> <td>Columbus SD</td> <td>Columbus SD</td> </tr> <tr> <td>Site/View</td> <td>similar homes</td> <td>similar homes</td> <td>similar homes</td> <td>similar homes</td> </tr> <tr> <td>Age</td> <td>80</td> <td>66</td> <td>55</td> <td>64</td> </tr> <tr> <td>Condition</td> <td>Q4-C5 fair</td> <td>Q4-C5 fair</td> <td>Q4-C5 fair</td> <td>Q4-C4 dated</td> </tr> <tr> <td>Living Area Rm.</td> <td>Total B-rms. Baths</td> <td>Total B-rms. Baths</td> <td>Total B-rms. Baths</td> <td>Total B-rms. Baths</td> </tr> <tr> <td>Count and Total</td> <td>5 2 1.0</td> <td>4 2 1.0</td> <td>5 2 1.0</td> <td>4 2 1.0</td> </tr> <tr> <td>Gross Living Area</td> <td>960 Sq. Ft.</td> <td>720 Sq. Ft.</td> <td>922 Sq. Ft.</td> <td>720 Sq. Ft.</td> </tr> <tr> <td>Air Conditioning</td> <td>cac</td> <td>cac</td> <td>cac</td> <td>none noted</td> </tr> <tr> <td>Garage/Carport</td> <td>1 car detached</td> <td>2 car detached</td> <td>2 car detached</td> <td>1 car detached</td> </tr> <tr> <td>Porch, Patio, Pools, etc.</td> <td>screen porch</td> <td>covered porch</td> <td>porch</td> <td>cvrdrch, patio</td> </tr> <tr> <td>Special Energy-Efficient Items</td> <td>none noted</td> <td>none noted</td> <td>none noted</td> <td>none noted</td> </tr> <tr> <td>Other</td> <td>bsmt:no finish</td> <td>bsmt:no finish</td> <td>bsmt:no finish</td> <td>bsmt:no finish</td> </tr> <tr> <td>Net Adjust (Total)</td> <td></td> <td><input checked="" type="checkbox"/> + <input type="checkbox"/> - \$ 1,900</td> <td><input checked="" type="checkbox"/> + <input type="checkbox"/> - \$ 400</td> <td><input type="checkbox"/> + <input checked="" type="checkbox"/> - \$ -10,100</td> </tr> <tr> <td>Indicated Value Sub.</td> <td></td> <td>\$ 25,900</td> <td>\$ 21,400</td> <td>\$ 34,900</td> </tr> </table>										ITEM	SUBJECT	COMPARABLE NO. 1	COMPARABLE NO. 2	COMPARABLE NO. 3	Address	974 Lawrence Dr Columbus, OH 43207	1733 Linwood Ave Columbus, OH 43207	1867 Kelton Ave Columbus, OH 43207	1806 Weiler Ave Columbus, OH 43207	Proximity to Sub.		0.26 miles NE	0.48 miles E	0.49 miles NE	Sales Price	\$	\$ 24,000	\$ 21,000	\$ 45,000	Date of Sale and Time Adjustment	DESCRIPTION	DESCRIPTION +(-) \$ Adjust.	DESCRIPTION +(-) \$ Adjust.	DESCRIPTION +(-) \$ Adjust.	Location	Columbus SD	Columbus SD	Columbus SD	Columbus SD	Site/View	similar homes	similar homes	similar homes	similar homes	Age	80	66	55	64	Condition	Q4-C5 fair	Q4-C5 fair	Q4-C5 fair	Q4-C4 dated	Living Area Rm.	Total B-rms. Baths	Total B-rms. Baths	Total B-rms. Baths	Total B-rms. Baths	Count and Total	5 2 1.0	4 2 1.0	5 2 1.0	4 2 1.0	Gross Living Area	960 Sq. Ft.	720 Sq. Ft.	922 Sq. Ft.	720 Sq. Ft.	Air Conditioning	cac	cac	cac	none noted	Garage/Carport	1 car detached	2 car detached	2 car detached	1 car detached	Porch, Patio, Pools, etc.	screen porch	covered porch	porch	cvrdrch, patio	Special Energy-Efficient Items	none noted	none noted	none noted	none noted	Other	bsmt:no finish	bsmt:no finish	bsmt:no finish	bsmt:no finish	Net Adjust (Total)		<input checked="" type="checkbox"/> + <input type="checkbox"/> - \$ 1,900	<input checked="" type="checkbox"/> + <input type="checkbox"/> - \$ 400	<input type="checkbox"/> + <input checked="" type="checkbox"/> - \$ -10,100	Indicated Value Sub.		\$ 25,900	\$ 21,400	\$ 34,900
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General Comments The comparable sales used in this report are considered to be the best, most similar comparable's available as of the effective date of the appraisal. They are indicative of properties the buying marketplace would consider to be similar and competing.																																																																																																								
Departure from USPAP Standards Rule 1-4(b) & 1-4(c) is noted within this report. See 'Departure Disclosure'.																																																																																																								
<div style="display: flex; justify-content: space-between;"> <div> <p>Completed By <u>Benjamin C. Todd</u></p> <p>Signature </p> </div> <div> <p>Estimated Value \$ <u>26,000</u> as of <u>09/08/2017</u></p> <p>Title <u>Chief Appraiser/President</u></p> <p>Date <u>09/18/2017</u></p> </div> </div>																																																																																																								

[Y2K]

The undersigned has recited three recent sales of properties most similar and proximate to the subject and has considered these in the market analysis. The description includes a dollar adjustment, reflecting market reaction to those items of significant variation between the subject and comparable properties. If a significant item in the comparable property is superior to, or more favorable than, the subject property a minus (-) adjustment is made, thus reducing the indicated value of subject; if a significant item in the comparable is inferior to, or less favorable than, the subject property, a plus (+) adjustment is made, thus increasing the indicated value of the subject.													
ITEM		SUBJECT			COMPARABLE NO. 4			COMPARABLE NO. 5			COMPARABLE NO. 6		
Address		974 Lawrence Dr Columbus, OH 43207			1507 S Champion Ave Columbus, OH 43207			1873 Valcon Ave Columbus, OH 43207			1611 Frebis Ave Columbus, OH 43206		
Proximity to Sub.					0.55 miles N			0.92 miles E			1.05 miles NE		
Sales Price		\$			\$ 40,000			\$ 36,211			\$ 30,000		
Date of Sale and Time Adjustment		DESCRIPTION			DESCRIPTION + (-)\$ Adjust.			DESCRIPTION + (-)\$ Adjust.			DESCRIPTION + (-)\$ Adjust.		
Location		Columbus SD			Columbus SD			Columbus SD			Columbus SD		
Site/View		similar homes			similar homes			similar homes			similar homes		
Age		80			66 0			55 0			63 0		
Condition		Q4-C5 fair			Q4-C5 fair			Q4-C5 fair			Q4-C5 fair		
Living Area Rm.		Total B-rms. Baths			Total B-rms. Baths			Total B-rms. Baths			Total B-rms. Baths		
Count and Total		5 2 1.0			5 3 1.0 -5,000 0			6 3 1.0 -5,000 0			5 3 1.0 -5,000 0		
Gross Living Area		960 Sq. Ft.			1,044 Sq. Ft. -800			1,152 Sq. Ft. -1,900			1,025 Sq. Ft. -700		
Air Conditioning		cac			cac			cac			cac		
Garage/Carport		1 car detached			1 car detached			2 car detached -1,500			2 car detached -1,500		
Porches, Patio, Pools, etc.		screen porch			covered porch +1,000			patio +1,500			enclosed porch 0		
Special Energy- Efficient Items		none noted			newer HVAC newer roof -2,500			none noted			none noted		
Other		bsmt:no finish			bsmt:rcrm -5,000			bsmt:rcrm,den -7,500			no basement +3,500		
Net Adjust (Total)		<input type="checkbox"/> + <input checked="" type="checkbox"/> - \$			<input type="checkbox"/> + <input checked="" type="checkbox"/> - \$			<input type="checkbox"/> + <input checked="" type="checkbox"/> - \$			<input type="checkbox"/> + <input checked="" type="checkbox"/> - \$		
Indicated Value Sub.					\$ 25,200			\$ 21,811			\$ 26,300		
MARKET DATA ANALYSIS	Comments:												
	COMMENTS												

Borrower	Client: David A. Bhaerman	Document	Page 7 of 17
Property Address	974 Lawrence Dr		
City	Columbus	County	Franklin
		State	OH
		Zip Code	43207
Lender/Client	David A. Bhaerman		



Borrower	Client: David A. Bhaerman						
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City	Columbus	County	Franklin	State	OH	Zip Code	43207
Lender/Client	David A. Bhaerman						



Subject Front

974 Lawrence Dr
Sales Price
Gross Living Area 960
Total Rooms 5
Total Bedrooms 2
Total Bathrooms 1.0
Location Columbus SD
View similar homes
Site
Quality
Age 80



Subject Rear/Side



Subject Street

Borrower	Client: David A. Bhaerman					
Property Address	974 Lawrence Dr					
City	Columbus	County	Franklin	State	OH	Zip Code 43207
Lender/Client	David A. Bhaerman					



Subject Detached Garage

974 Lawrence Dr
Sales Price
Gross Living Area 960
Total Rooms 5
Total Bedrooms 2
Total Bathrooms 1.0
Location Columbus SD
View similar homes
Site
Quality
Age 80



Roof Damage/Vegetation in Gutters



Vegetation in Gutters

Borrower	Client: David A. Bhaerman					
Property Address	974 Lawrence Dr					
City	Columbus	County	Franklin	State	OH	Zip Code 43207
Lender/Client	David A. Bhaerman					



Defective Paint on Covered Entry

974 Lawrence Dr
Sales Price
Gross Living Area 960
Total Rooms 5
Total Bedrooms 2
Total Bathrooms 1.0
Location Columbus SD
View similar homes
Site
Quality
Age 80



Defective Paint on Garage



Defective Paint on Garage

Borrower	Client: David A. Bhaerman	Document	Page 11 of 17				
Property Address	974 Lawrence Dr						
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Lender/Client	David A. Bhaerman						

**Comparable 1**

1733 Linwood Ave
 Prox. to Subject 0.26 miles NE
 Sales Price 24,000
 Gross Living Area 720
 Total Rooms 4
 Total Bedrooms 2
 Total Bathrooms 1.0
 Location Columbus SD
 View similar homes
 Site
 Quality
 Age 66
 File Photo

**Comparable 2**

1867 Kelton Ave
 Prox. to Subject 0.48 miles E
 Sales Price 21,000
 Gross Living Area 922
 Total Rooms 5
 Total Bedrooms 2
 Total Bathrooms 1.0
 Location Columbus SD
 View similar homes
 Site
 Quality
 Age 55
 File Photo

**Comparable 3**

1806 Weiler Ave
 Prox. to Subject 0.49 miles NE
 Sales Price 45,000
 Gross Living Area 720
 Total Rooms 4
 Total Bedrooms 2
 Total Bathrooms 1.0
 Location Columbus SD
 View similar homes
 Site
 Quality
 Age 64
 File Photo

Borrower	Client: David A. Bhaerman					
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Lender/Client	David A. Bhaerman					

**Comparable 4**

1507 S Champion Ave
Prox. to Subject 0.55 miles N
Sale Price 40,000
Gross Living Area 1,044
Total Rooms 5
Total Bedrooms 3
Total Bathrooms 1.0
Location Columbus SD
View similar homes
Site
Quality
Age 66
File Photo

**Comparable 5**

1873 Valcon Ave
Prox. to Subject 0.92 miles E
Sale Price 36,211
Gross Living Area 1,152
Total Rooms 6
Total Bedrooms 3
Total Bathrooms 1.0
Location Columbus SD
View similar homes
Site
Quality
Age 55
File Photo

**Comparable 6**

1611 Frebis Ave
Prox. to Subject 1.05 miles NE
Sale Price 30,000
Gross Living Area 1,025
Total Rooms 5
Total Bedrooms 3
Total Bathrooms 1.0
Location Columbus SD
View similar homes
Site
Quality
Age 63
File Photo

This report is a Limited Appraisal made according to the Uniform Standards of Professional Appraisal Practice (USPAP) as promulgated by the Appraisal Standards Board of the Appraisal Foundation. The Departure Rule permits departures from some sections of the USPAP that are classified as guidelines. USPAP places the burden of proof on the appraiser to decide before accepting an assignment which calls for something less than, or different from, the work that would otherwise be required by USPAP guidelines, and to determine that the appraisal process is not so limited that the results of the assignment are no longer credible. The appraiser must advise the client that a limited appraisal assignment may not be as reliable as a complete appraisal, and that the report must clearly identify and explain the departures. The client must agree that the performance of a limited appraisal service would be appropriate, given the intended use.

☒ I am satisfied that the appraisal I performed is not so limited that the results of the assignment will tend to mislead or confuse the client or any other disclosed intended users of the report. I have indicated below those specific sections of the USPAP from which I have departed. I have prominently disclosed in the appraisal report that this is a limited appraisal and that I have not performed all of the items of the appraisal process for a complete appraisal, and that a limited appraisal may be less reliable than a complete appraisal.

☐ **Standards Rule 1-3 (a)** "Identify and analyze the effect on use and value of existing land use regulations, reasonably probable modifications of such land use regulations, economic supply and demand, the physical adaptability of the real estate, and market area trends."

Departure:

Explanation:

☐ **Standards Rule 1-3 (b)** "develop an opinion of the highest and best use of the real estate."

Departure:

Explanation:

☐ **Standards Rule 1-4 (a)** "When a sales comparison approach is applicable, an appraiser must analyze such comparable sales data as are available to indicate a value conclusion."

Departure:

Explanation:

☒ **Standards Rule 1-4 (b)** "When a cost approach is applicable, an appraiser must: (i) develop an opinion of site value by an appropriate appraisal method or technique; (ii) analyze such comparable cost data as are available to estimate the cost new of the improvements (if any); and (iii) analyze such comparable data as are available to estimate the difference between the cost new and the present worth of the improvements (accrued depreciation)."

Departure: In the residential owner-occupied market the sales comparison approach is the best and most reliable determination of value.

Explanation: The 'cost approach' is very subjective in nature as it relies on the age/life method and is not as reliable as the 'sales approach'.

☒ **Standards Rule 1-4 (c)** "When an income approach is applicable, an appraiser must: (i) analyze such comparable rental data as are available and/or the potential earnings capacity of the property to estimate the gross income potential of the property; (ii) analyze such comparable operating expense data as are available to estimate the operating expenses of the property; (iii) analyze such comparable data as are available to estimate rates of capitalization and/or rates of discount; and (iv) base projections of future rent and/or income potential and expenses on reasonably clear and appropriate evidence."

Departure: In the residential owner-occupied market the 'sales comparison' approach is the best and most reliable determination of value.

Explanation: The 'income approach' is not warranted as the subject property is not an income producing property.

☐ **Standards Rule 1-4 (d)** "When developing an opinion of the value of a leased fee estate or a leasehold estate, an appraiser must analyze the effect on value, if any, of the terms and conditions of the lease(s)."

Departure:

Explanation:

☐ **Standards Rule 1-4 (e)** "An appraiser must analyze the effect on value, if any, of the assemblage of the various estates or component parts of a property and refrain from valuing the whole solely by adding together the individual values of the various estates or component parts."

Departure:

Explanation:

☐ **Standards Rule 1-4 (f)** "An appraiser must analyze the effect on value, if any, of anticipated public or private improvements, located on or off the site, to the extent that market actions reflect such anticipated improvements as of the effective appraisal date."

Departure:

Explanation:

☐ **Standards Rule 1-4 (g)** "An appraiser must analyze the effect on value of any personal property, trade fixtures, or intangible items that are not real property but are included in the appraisal."

Departure:

Explanation:

☐ **Standards Rule 1-4 (h)** "When appraising proposed improvements, an appraiser must examine and have available for future examination: (i) plans, specifications, or other documentation sufficient to identify the scope and character of the proposed improvements; (ii) evidence indicating the probable time of completion of the proposed improvements; and (iii) reasonably clear and appropriate evidence supporting development costs, anticipated earnings, occupancy projections, and the anticipated competition at the time of completion."

Departure:

Explanation:

Additional Explanations: Unless otherwise indicated the subject property was inspected from the exterior only. The extraordinary assumption has been made that the interior is in similar condition to the exterior.

Borrower	Client: David A. Bhaerman	File No. 17525
Property Address	974 Lawrence Dr	
City	Columbus	County Franklin State OH Zip Code 43207
Lender/Client	David A. Bhaerman	

APPRAISAL AND REPORT IDENTIFICATION

This Report is one of the following types:

- ☒ Appraisal Report (A written report prepared under Standards Rule 2-2(a), pursuant to the Scope of Work, as disclosed elsewhere in this report.)
- ☐ Restricted Appraisal Report (A written report prepared under Standards Rule 2-2(b), pursuant to the Scope of Work, as disclosed elsewhere in this report, restricted to the stated intended use by the specified client or intended user.)

Comments on Standards Rule 2-3

I certify that, to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- Unless otherwise indicated, I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
- Unless otherwise indicated, I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
- I have no bias with respect to the property that is the subject of this report or the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice that were in effect at the time this report was prepared.
- Unless otherwise indicated, I have made a personal inspection of the property that is the subject of this report.
- Unless otherwise indicated, no one provided significant real property appraisal assistance to the person(s) signing this certification (if there are exceptions, the name of each individual providing significant real property appraisal assistance is stated elsewhere in this report).

Appraisal assistance was provided by Kerry D. McGee, Registered Real Estate Appraiser Assistant, #OH2013002075.

Reasonable Exposure Time

(USPAP defines Exposure Time as the estimated length of time that the property interest being

appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal.)

My Opinion of Reasonable Exposure Time for the subject property at the market value stated in this report is:

5 to 60 days.**Comments on Appraisal and Report Identification**

Note any USPAP-related issues requiring disclosure and any state mandated requirements: See Departure Disclosure.

APPRAISER:

Signature:

Name: Benjamin C. Todd

State Certification #:

or State License #: 2005004048State: OH Expiration Date of Certification or License: 06/22/2018Date of Signature and Report: 09/18/2017Effective Date of Appraisal: 09/08/2017Inspection of Subject: ☐ None ☐ Interior and Exterior ☒ Exterior-OnlyDate of Inspection (if applicable): 09/08/2017**SUPERVISORY or CO-APPRAISER (if applicable):**

Signature:

Name:

State Certification #:

or State License #:

State: Expiration Date of Certification or License:

Date of Signature:

Inspection of Subject: ☐ None ☐ Interior and Exterior ☐ Exterior-Only

Date of Inspection (if applicable):

UNIFORM APPRAISAL DATASET (UAD) DEFINITIONS ADDENDUM

(Source: Fannie Mae UAD Appendix D: UAD Field-Specific Standardization Requirements)

Condition Ratings and Definitions

C1

The improvements have been recently constructed and have not been previously occupied. The entire structure and all components are new and the dwelling features no physical depreciation.

Note: Newly constructed improvements that feature recycled or previously used materials and/or components can be considered new dwellings provided that the dwelling is placed on a 100 percent new foundation and the recycled materials and the recycled components have been rehabilitated/remanufactured into like-new condition. Improvements that have not been previously occupied are not considered "new" if they have any significant physical depreciation (that is, newly constructed dwellings that have been vacant for an extended period of time without adequate maintenance or upkeep).

C2

The improvements feature no deferred maintenance, little or no physical depreciation, and require no repairs. Virtually all building components are new or have been recently repaired, refinished, or rehabilitated. All outdated components and finishes have been updated and/or replaced with components that meet current standards. Dwellings in this category are either almost new or have been recently completely renovated and are similar in condition to new construction.

Note: The improvements represent a relatively new property that is well maintained with no deferred maintenance and little or no physical depreciation, or an older property that has been recently completely renovated.

C3

The improvements are well maintained and feature limited physical depreciation due to normal wear and tear. Some components, but not every major building component, may be updated or recently rehabilitated. The structure has been well maintained.

Note: The improvement is in its first-cycle of replacing short-lived building components (appliances, floor coverings, HVAC, etc.) and is being well maintained. Its estimated effective age is less than its actual age. It also may reflect a property in which the majority of short-lived building components have been replaced but not to the level of a complete renovation.

C4

The improvements feature some minor deferred maintenance and physical deterioration due to normal wear and tear. The dwelling has been adequately maintained and requires only minimal repairs to building components/mechanical systems and cosmetic repairs. All major building components have been adequately maintained and are functionally adequate.

Note: The estimated effective age may be close to or equal to its actual age. It reflects a property in which some of the short-lived building components have been replaced, and some short-lived building components are at or near the end of their physical life expectancy; however, they still function adequately. Most minor repairs have been addressed on an ongoing basis resulting in an adequately maintained property.

C5

The improvements feature obvious deferred maintenance and are in need of some significant repairs. Some building components need repairs, rehabilitation, or updating. The functional utility and overall livability is somewhat diminished due to condition, but the dwelling remains useable and functional as a residence.

Note: Some significant repairs are needed to the improvements due to the lack of adequate maintenance. It reflects a property in which many of its short-lived building components are at the end of or have exceeded their physical life expectancy but remain functional.

C6

The improvements have substantial damage or deferred maintenance with deficiencies or defects that are severe enough to affect the safety, soundness, or structural integrity of the improvements. The improvements are in need of substantial repairs and rehabilitation, including many or most major components.

Note: Substantial repairs are needed to the improvements due to the lack of adequate maintenance or property damage. It reflects a property with conditions severe enough to affect the safety, soundness, or structural integrity of the improvements.

Quality Ratings and Definitions

Q1

Dwellings with this quality rating are usually unique structures that are individually designed by an architect for a specified user. Such residences typically are constructed from detailed architectural plans and specifications and feature an exceptionally high level of workmanship and exceptionally high-grade materials throughout the interior and exterior of the structure. The design features exceptionally high-quality exterior refinements and ornamentation, and exceptionally high-quality interior refinements. The workmanship, materials, and finishes throughout the dwelling are of exceptionally high quality.

Q2

Dwellings with this quality rating are often custom designed for construction on an individual property owner's site. However, dwellings in this quality grade are also found in high-quality tract developments featuring residence constructed from individual plans or from highly modified or upgraded plans. The design features detailed, high quality exterior ornamentation, high-quality interior refinements, and detail. The workmanship, materials, and finishes throughout the dwelling are generally of high or very high quality.

Quality Ratings and Definitions (continued)

Q3

Dwellings with this quality rating are residences of higher quality built from individual or readily available designer plans in above-standard residential tract developments or on an individual property owner's site. The design includes significant exterior ornamentation and interiors that are well finished. The workmanship exceeds acceptable standards and many materials and finishes throughout the dwelling have been upgraded from "stock" standards.

Q4

Dwellings with this quality rating meet or exceed the requirements of applicable building codes. Standard or modified standard building plans are utilized and the design includes adequate fenestration and some exterior ornamentation and interior refinements. Materials, workmanship, finish, and equipment are of stock or builder grade and may feature some upgrades.

Q5

Dwellings with this quality rating feature economy of construction and basic functionality as main considerations. Such dwellings feature a plain design using readily available or basic floor plans featuring minimal fenestration and basic finishes with minimal exterior ornamentation and limited interior detail. These dwellings meet minimum building codes and are constructed with inexpensive, stock materials with limited refinements and upgrades.

Q6

Dwellings with this quality rating are of basic quality and lower cost; some may not be suitable for year-round occupancy. Such dwellings are often built with simple plans or without plans, often utilizing the lowest quality building materials. Such dwellings are often built or expanded by persons who are professionally unskilled or possess only minimal construction skills. Electrical, plumbing, and other mechanical systems and equipment may be minimal or non-existent. Older dwellings may feature one or more substandard or non-conforming additions to the original structure

Definitions of Not Updated, Updated, and Remodeled

Not Updated

Little or no updating or modernization. This description includes, but is not limited to, new homes.

Residential properties of fifteen years of age or less often reflect an original condition with no updating, if no major components have been replaced or updated. Those over fifteen years of age are also considered not updated if the appliances, fixtures, and finishes are predominantly dated. An area that is 'Not Updated' may still be well maintained and fully functional, and this rating does not necessarily imply deferred maintenance or physical/functional deterioration.

Updated

The area of the home has been modified to meet current market expectations. These modifications are limited in terms of both scope and cost.

An updated area of the home should have an improved look and feel, or functional utility. Changes that constitute updates include refurbishment and/or replacing components to meet existing market expectations. Updates do not include significant alterations to the existing structure.

Remodeled

Significant finish and/or structural changes have been made that increase utility and appeal through complete replacement and/or expansion.

A remodeled area reflects fundamental changes that include multiple alterations. These alterations may include some or all of the following: replacement of a major component (cabinet(s), bathtub, or bathroom tile), relocation of plumbing/gas fixtures/appliances, significant structural alterations (relocating walls, and/or the addition of square footage). This would include a complete gutting and rebuild.

Explanation of Bathroom Count

Three-quarter baths are counted as a full bath in all cases. Quarter baths (baths that feature only a toilet) are not included in the bathroom count. The number of full and half baths is reported by separating the two values using a period, where the full bath count is represented to the left of the period and the half bath count is represented to the right of the period.

Example:

3.2 indicates three full baths and two half baths.

[illegible]